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OFFICE OF FINANCIAL INSTITUTIONS ADOPTS NATIONAL UNIFORM MORTGAGE LICENSING FORMS

Revised forms are precursor to national online system

FRANKFORT, Ky. (Feb. 1, 2007) – The Kentucky Office of Financial Institutions (OFI) today announced the adoption of national uniform mortgage licensing forms.

The revised forms – commonly called MU forms – will replace forms currently used by mortgage lenders and mortgage brokers to apply for licensure or to amend an existing license in Kentucky. Licensees in the state will begin using the new forms today.

“These forms will improve consistency across states as to the type and quality of information being provided to regulators by mortgage lenders and brokers wishing to conduct business in Kentucky,” said Cordell Lawrence, executive director of OFI.

OFI has adopted four forms for use in Kentucky: a mortgage lender/broker form, a consent form, a branch office form and an individual mortgage license/registration and consent form. Each form has a companion form of specific requirements that must be met in Kentucky. The uniform forms, including instructions, and the OFI-specific requirements are available online at www.kfi.ky.gov.

As part of a joint initiative by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR), state mortgage regulators from more than 27 states, including Kentucky, have worked over the past two years to develop the MU forms. The forms were piloted in five states during 2005 and 2006, and the industry has provided input in their development.

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The MU forms are a first step toward the development of an online licensing system using the uniform mortgage license applications. State residential mortgage regulators will use the system to process licenses by mortgage lenders, brokers and/or professionals. The next step will be the move to standardized renewal forms, expected to be adopted in mid-2007.

Currently, a national company must register separately in each state in which it plans to do business. Having forms that are consistent across the nation will streamline the registration process. When the national database goes online, that same company will be able to register one time for multiple states electronically.

The system also will offer consumers an online public database disclosing the licensing status of firms and individuals, including any state enforcement history. The system is scheduled to be operational on a secure Web site in January 2008, and Kentucky will be among those that convert to electronic MU forms at that time.

“This database is going to provide a centralized place for information,” said David Coyle, director of OFI’s Division of Financial Institutions.

“It will help the consumer by increasing access to information. It will help state regulators more efficiently gather data and license the mortgage industry, and it will help the industry more efficiently submit applications and easily check the status of them,” Coyle said.

More information about the CSBS/AARMR Residential Mortgage Licensing System can be found at http://www.csbs.org/AM/Template.cfm?Section=Mortgage_Licensing.

OFI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet. It is charged with licensing, chartering and regulating the activities of state-chartered/licensed depository and nondepository financial institutions.

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